

## Manufactured Housing Task Force

2<sup>nd</sup> Floor House Majority Hearing Room, Legislative Hall, Dover, DE

8/21/18 1:30pm

Rep. Baumbach, Chair, introduced HR 24, which created the Task Force and listed the makeup of the Task Force

The Chair introduced Rep. Briggs King, the Vice Chair. She recognized that there were previous attempts to rewrite the Manufactured Housing Code and a need to finish those efforts. The Chair also introduced Rep. Carson, who was attending the meeting.

Task Force Members introduce themselves, as follows:

Robert Weymouth – homeowner

Bill Kinnick – homeowner, DMHOA President

Fred Neil – homeowner

John Whitelaw – CLASI, homeowner lawyer

Robert Tunnell –Community Owner

Michael Morton – Community Lawyer

Linda Bova – Realtor

Tyler Berl – Housing Alliance Delaware

Kevin M. Carroll – Chair, Delaware Manufactured Home Relocation Authority

Gina Schoenberg – Delaware DOJ, Consumer Protection Unit

Marlena Gibson – Delaware State Housing Authority

Josh Mermell – Community Owner

Deb Gottschalk – Legislative Attorney

(After their first appearance within the minutes, all members except the Chair will be referred to by their initials ex: RBK for Ruth Briggs King.)

The Chair moved to Agenda item 2, a review of materials in binder. The Chair noted that HB 436 is listed as passed but not yet signed by Governor and that the “Report on the Establishment of a Pilot Manufactured Housing Office,” has been added to the binder.

The Chair asked GS the status of the Ombudsman created in the FY 19 Budget Epilogue. GS responded that the process of developing the office is in the early stage. DOJ has requested 2 to 3 positions for the Ombudsman and they need to be funded.

The Chair noted that the only arbitration decisions in the binder are those that had their decision appealed and that there appears to have been an explosion of cases in arbitration in 2017 and that the Task Force will attempt to calm down this activity.

Task Force members were introduced to the draft technical revisions to Chapter 70, the Manufactured Homes and Manufactured Home Communities law. The Chair noted that it is intended to clarify the law as it stands now by bringing it up to drafting standards and ordering it properly. It is not intended to cause any dissention and he noted that he will drop the proposed rewrite if it proves contentious.

The Chair pointed out that HR 24 establishes the following priorities for the Task Force: rent justification, changes in land use, right of first offer, and other suggestion. The Chair discussed future meetings and proposed to address one topic for each meeting but hold two on the topic rent justification.

RBK would like to spend more time on rent justification and right of first refusal, but agreed that land use should only take one.

MM and KMC noted that during prior discussions, there were 5 months of meetings on the right of first offer and no outcome.

KMC suggested more meetings and the meetings to be more general, perhaps rotating the topics discussed so that solutions are consistent across topics.

RT agreed that more meetings were appropriate.

JSW agreed with MM, saying that rent justification alone could take 4 months.

The Chair asked each member of the Task Force to indicate their preference regarding meetings and the consensus was to start with 2 meetings each month.

The Chair noted that he can create nonbinding subcommittees to look into issues, ideally including the attorney members. The Chair and RBK noted that the length of the Task Force can be extended but that it is helpful to have an end goal to keep focus

BK noted that we could refocus the Task Force to focus on one of the goals such as land use to ensure some sort of conclusion on the subject. He suggested incorporating Chapter 71 so that there is 1 consistent law on change in land use.

The Chair agreed and said that the Task Force could focus on single issues within a topic such as a piece of rent justification

GS noted that she's read the draft Chapter 70 revisions and has a few issues, but thinks it is a step in the right direction and would like to focus on that to start.

MM notes historically that task forces have a majority and minority report. Also asks who the clearinghouse for drafts and transmission of information will be. The Chair noted his willingness to have a majority and minority report and said that general meeting information will flow through Kyle Schwab and that legal information and drafts will flow through Debbie Gottschalk.

DG discussed the preparation of binder and notes she needed GS's help to track down the Widnener memo. Says that binder was attempt to have transparency on drafts, docs, and lit.

The Chair proposed two meetings a month, with one of those to be reserved for Sub-Committee meetings.

The Task Force members agreed upon dates below for meetings:

9/12 1-3pm technical corrections, Identifying and assigning tasks to Subcommittees, SB 47

9/26\* 1-3pm

10/10 1-3pm

10/31\* 1-3pm

11/14 1-3pm

11/28\* 1-3pm

12/12 1-3pm

12/19 1-3pm

Note: dates marked with \* are tentative subcommittee meetings.

RBK asked the Chair on a committee seat assignment, noting that the homeowners need a member from New Castle County and not two from Sussex. The Homeowner group agreed to seek a New Castle County Representative.

Scheduling topics for meetings: The Chair decided that technical corrections, identifying and assigning tasks to sub committees, and SB 47 are the topics for 9/12.

DG provided an overview of the draft technical corrections to Chapter 70.

DG attempted to properly format the statutes and have clear definitions for terms. Proposed changes are in blue text and she changes them to black text when the Task Force agrees to make it. She directed members to the cover memo in the binder for a more detailed explanation of the proposed technical corrections. MM objected to the removal of "shall not" from the Code because that specific language is cited by courts. DG noted that the drafting manual says not use "shall not" because it is not proper grammatically.

DG continued to address the draft technical revision by explaining the proposed reorganization. GS notes the reorganization might expand the authority of the Consumer Protection Unit. PB and DG agree that is not the intent and DG and GS agree to discuss this.

KMC asked for a pdf version of the changes. The Chair and DG agreed to provide one.

The Chair moved to Public Comment:

Fred Neil stated that the Task Force should be concerned about more than Title 25, Chapter 70, and should be expanded to address the lack of affordable housing within Delaware. He also notes a concern with out of state landowners purchasing communities, and then turning around to use what he describes as an ill-defined concept of “market rent” to raise rents and immediately recoup purchasing costs.

The Chair made a motion to adjourn the meeting, which was seconded and approved unanimously.